

colorado state LIHTC



2017 allocation report



*financing the places where
people live and work*

2017 program results

1,299 housing units directly supported

- In 2017, the state LIHTC program directly supported 1,299 affordable rental units, and will enable CHFA to support the development or preservation of 3,495 units overall.*
- Developments awarded state LIHTC will serve households earning 60 percent Area Median Income (AMI) or below.
- Historically, the median household income of residents living in LIHTC-supported units is \$21,578, or approximately 35 percent AMI.
- As an example, in 2017, 35 percent AMI equals \$23,520 for a two-person household in Denver County, or \$23,135 for a three-person household in Weld County.

\$168.3 million in new private sector investment raised to support colorado housing

- The sale of the state and federal tax credits allocated to the 1,299 units directly supported will generate over \$168.3 million in private sector equity investment in Colorado.

\$11.3 million in federal 4 percent LIHTC leveraged

- CHFA leverages the state LIHTC with the federal 4 percent credit, which historically has been under-utilized in Colorado due to a lack of other gap resources required to make these types of deals financially feasible.
- The pairing of the state LIHTC and federal 4 percent LIHTC enabled Colorado to leverage \$11.3 million in federal credits in 2017. Without the availability of the state credit, this critical federal resource would likely have been left on the table.

\$525 million in economic impact

- The development of the 1,299 units directly supported with state LIHTC is estimated to generate over \$525 million in economic impact and support 3,289 jobs.

2015 to 2017 program results

4,263	\$33M	\$465M	\$1.57B	19,105
housing units directly supported	federal 4 percent LIHTC leveraged	new private sector investment raised to support colorado housing	economic impact	jobs supported

state low income housing tax credit

about state low income housing tax credit

- Colorado's State Low Income Housing Tax Credit (state LIHTC) raises private sector equity for affordable rental housing development.
- The program is modeled after the nationally recognized federal Low Income Housing Tax Credit (federal LIHTC) program created in 1986 under President Reagan's administration, which has helped create or preserve nearly 3 million affordable rental units in the United States.
- Colorado's program was originally established in 2001 and later renewed in 2014 and 2016.

state LIHTC supports key affordable housing needs

As of 2017, 5 of the developments supported with state LIHTC have placed in service, adding 450 new affordable rental housing units. While market rate rent for all apartment types in Colorado was at \$1,319 as of third quarter 2017, the median rent paid by residents living in state LIHTC supported properties was \$505, or 61.7 percent below-market averages.

In October 2017, CHFA reviewed state LIHTC resident demographics for 741 of the units placed in service at that time. Our analysis showed the following.

resident demographics

median AMI	31%
median income	\$17,424
median household size	2

household size and demographics

1 person	45%
2 people	18%
3 people	16%
4+ people	22%
female head of household	65%
# of children in units	475
% senior properties	16%

most common occupations of nonretired residents

service industry	28%
professional	11%
production/construction/ operating/maintenance	10%
clerical/administrative	7%



state low income housing tax credit

workforce housing

- The most common occupation of nonretired residents living in state LIHTC supported developments include: service industry (28%); professional (11%); production/construction/operating/maintenance (10%); and clerical/administrative (7%).
- In Colorado, full-time employees paid minimum wage earn \$18,972 in gross income annually or 35 percent (1 person household) AMI.

colorado job types and median wages

job type	median income below 60% AMI	median AMI below 60% AMI
Graders and Sorters, Agricultural Products	\$18,880	37%
Cashiers	\$21,090	41%
Dishwashers	\$21,112	41%
Maids and Housekeeping Cleaners	\$22,263	43%
Building Cleaning Workers, All Other	\$22,627	44%
Motor Vehicle Operators, All Other	\$22,939	44%
Personal Care and Service Occupations	\$23,544	46%
Helpers--Painters, Paperhangers, Plasterers, and Stucco Masons	\$23,667	46%
Home Health Aides	\$24,597	48%
Food Processing Workers, All Other	\$24,946	48%
Farming, Fishing, and Forestry Occupations	\$24,999	48%
Helpers--Roofers	\$25,142	49%
Cooks, Restaurant	\$25,182	49%
Tailors, Dressmakers, and Custom Sewers	\$25,204	49%
Telemarketers	\$25,469	49%
Veterinary Assistants and Laboratory Animal Caretakers	\$26,225	51%
Tire Repairers and Changers	\$26,483	51%
Library Assistants, Clerical	\$26,662	52%
Photographic Process Workers and Processing Machine Operators	\$26,799	52%
Tellers	\$27,473	53%
Laborers and Freight, Stock, and Material Movers, Hand	\$27,478	53%
Preschool Teachers, Except Special Education	\$27,813	54%
Security Guards	\$28,371	55%
Dietetic Technicians	\$28,895	56%
Psychiatric Aides	\$29,020	56%
Occupational Therapy Aides	\$29,392	57%
Nursing Assistants	\$29,506	57%
Helpers--Electricians	\$29,506	57%
Electronic Equipment Installers and Repairers, Motor Vehicles	\$30,031	58%
Receptionists and Information Clerks	\$30,052	58%
Helpers, Construction Trades, All Other	\$30,226	58%
Butchers and Meat Cutters	\$30,401	59%
Fine Artists, Including Painters, Sculptors, and Illustrators	\$30,407	59%
Pourers and Casters, Metal	\$30,639	59%
Assemblers and Fabricators, All Other	\$30,950	60%

state low income housing tax credit

senior housing

- 592 of the units directly supported with state LIHTC between 2015 and 2017 will provide affordable rental housing for seniors.

permanent supportive housing

- Four of the developments supported with state LIHTC between 2015 and 2017 will include Permanent Supportive Housing for homeless families and individuals.

across colorado

Since the addition of state LIHTC in 2015, the number of rental units supported by CHFA has enabled us to nearly double the number of 4 percent deals completed annually since the program began. Further, the state LIHTC facilitated development with 4 percent LIHTC outside the 7-county Denver metro area for the first time since the end of the recession. Disaster recovery state LIHTC allocated to developments in Boulder, Weld, and Larimer counties in 2015 and 2016 as part of the state's 2013 flood recovery efforts, represent 56 percent of the non-Denver Metro developments supported. However, even when removing these one-time disaster recovery recipients from the equation, CHFA's allocation of state or federal LIHTC has supported 878 new or preserved units outside of the Denver Metro region since 2015.

- 37 of the 115 total developments supported with either state or federal LIHTC from 2015 through September 2017 are located outside of the seven-county Denver Metro region.
- 11 on the Western Slope (Aspen, Basalt, Cortez, Durango, Glenwood Springs, Grand Junction, Keystone, Montrose, New Castle, and Steamboat Springs)
- 13 in northern and eastern Colorado (Burlington, Fort Collins, Greeley, Loveland, and Windsor)
- 13 in southern Colorado (Buena Vista, Cañon City, Colorado Springs, Pueblo, Trinidad, and Woodland Park)

2017 LIHTC supported developments

The following list details all projects supported with either state and/or federal LIHTC in 2017.

project name	city	county	total units
--------------	------	--------	-------------

9 percent LIHTC

Aria Apartments II	Denver	Denver	65
Cornell Senior Apartments	Aurora	Arapahoe	50
Crossing Pointe	Thornton	Adams	64
Freedom Springs	Colorado Springs	El Paso	50
Highlands 2	Grand Junction	Mesa	72
Lumien Apartments II	Durango	La Plata	36
Providence at the Heights	Aurora	Arapahoe	50
Trinidad Artspace Lofts	Trinidad	Las Animas	41
Valley Sun Village	Cortez	Montezuma	50
Walnut Street Lofts	Denver	Denver	65
Wintergreen Apartments	Keystone	Summit	40
Woodgate Trails	Montrose	Montrose	50

4 percent LIHTC

101 Broadway Affordable Homes	Denver	Denver	106
Baker Street	Denver	Adams	142
Copper Stone	Lafayette	Boulder	260
Correll Apartments	Boulder	Boulder	21
East Range Crossing	Denver	Denver	252
Eaton Street	Westminster	Adams	118
Northern Hotel	Fort Collins	Larimer	47
Pinewood Apartments	Boulder	Boulder	23
Sierra Vista Manor	Denver	Denver	209
Sloans Affordable	Denver	Denver	49
Valmont Square Apartments	Boulder	Boulder	36
Villas at Wadsworth Station	Lakewood	Jefferson	100
Whitney Young Manor	Colorado Springs	El Paso	200

state LIHTC and 4 percent LIHTC

Brandon Flats	Denver	Denver	104
El Rancho Flats	Evergreen	Jefferson	54
Fall River Apartments	Longmont	Boulder	60
Flats At Two Creeks	Lakewood	Jefferson	78
Indy Street Flats	Lakewood	Jefferson	115
Laradon Homes	Denver	Denver	91
Peoria Crossing, Building 1	Aurora	Adams	82
Platte Valley Homes	Denver	Denver	68
Sheridan Station	Denver	Denver	133
Tammen Hall Apartments	Denver	Denver	49
Traditions at Colorado Springs	Colorado Springs	El Paso	180
Village on Shields	Fort Collins	Larimer	285

state LIHTC-supported development descriptions

The following summaries detail more information about the 12 developments directly supported with state LIHTC in 2017. Summaries include information about the communities and populations to be served by each development.

Brandon Flats, Denver

Developer | Volunteers of America (VOA)

Brandon Flats will provide 104 homes for families, veterans, and formerly homeless households in the West Colfax/Sloans Lake neighborhood. The development will have 59 Permanent Supportive Housing units that will be fully furnished and will be supported with project-based vouchers. VOA will partner with Mental Health Center of Denver, Colorado Coalition for the Homeless, and Bayaud Enterprises to provide services for the residents.

- 104 Units: 47 One-bedroom; 45 Two-bedroom; 11 Three-bedroom
- 20 @ 30% AMI; 39 @ 40% AMI; 44 @ 60% AMI; One Employee Unit
- Federal Credit Awarded: \$951,336
- State Credit Awarded: \$1,000,000

El Rancho Flats, Evergreen

Developer | Jefferson County Housing Authority

El Rancho Flats will serve families in an area that has not been supported with LIHTC in the past and is experiencing an extreme shortage of affordable housing for many workers in the community. The development will be adjacent to the El Rancho Activity Center and close to retail, schools, child care, and local employment opportunities.

- 54 Units: 14 One-bedroom; 27 Two-bedroom; 13 Three-bedroom
- 54 @ 60% AMI
- Federal Credit Awarded: \$594,043
- State Credit Awarded: \$763,210

Fall River Apartments, Longmont

Developer | Longmont Housing Authority

Fall River will be the second phase of the very successful Spring Creek Apartments, which already has an extensive wait list. The development will serve seniors age 55 and older who earn 50 percent AMI or less. Eighty percent of the units will serve seniors earning 40 percent AMI or less. The development will provide two communal patios at each wing of the building on the fourth floor. The indoor and outdoor amenities are designed to promote activity and interaction.

- 60 Units: 52 One-bedroom; 8 Two-bedroom
- 20 @ 30% AMI; 30 @ 40% AMI; 10 @ 50% AMI
- Federal Credit Awarded: \$465,550
- State Credit Awarded: \$720,665

Flats at Two Creeks, Lakewood

Developer | Archway Investment Corporation

The Flats at Two Creeks will serve families and formerly homeless veterans in the 40 West Arts District along West Colfax and will replace some formerly blighted and abandoned buildings in the area. The sponsor received an award of 20 project-based HUD-VASH (Veteran Affairs Supportive Housing) vouchers from the Colorado Division of Housing for the development, and will partner with a number of service providers to provide services including onsite group sessions.

- 78 Units: 70 One-bedroom; 8 Two-bedroom
- 16 @ 30% AMI; 21 @ 50% AMI; 40 @ 60% AMI
- Federal Credit Awarded: \$858,014
- State Credit Awarded: \$915,934

Indy Street Flats, Lakewood

Developer | Metro West Housing Solutions

Indy Street Flats will involve the conversion of a 67-year old Masonic Lodge into 18 apartments, the rehabilitation of the existing Belmont Manor property into eight two-bedroom apartments, and the construction of a new building with 89 apartments, providing a total of 115 apartments serving families. The development will be located across the street from Eiber Elementary school, close to shopping, a recreation center, and a park, and within a quarter mile from high-frequency bus transportation on Colfax and the Garrison light rail station.

- 115 Units: 14 Studios; 41 One-bedroom; 46 Two-bedroom; 14 Three-bedroom
- 6 @ 30% AMI; 11 @ 40% AMI; 12 @ 50% AMI; 85 @ 60% AMI
- Federal Credit Awarded: \$1,076,161
- State Credit Awarded: \$1,000,000

Laradon Homes, Denver

Developer | Gorman and Company, Inc.

This development will be located across the street from the Laradon campus in Globeville. Laradon Homes will integrate supportive social services through a partnership with Laradon Hall Society for Exceptional Children and Adults (Laradon). Twenty-two of the units will be set aside for disabled residents who earn less than \$10,000 per year.

- 91 Units: 50 One-bedroom; 35 Two-bedroom; 5 Three-bedroom
- 11 @ 30% AMI; 11 @ 50% AMI; 68 @ 60% AMI
- Federal Credit Awarded: \$1,044,784
- State Credit Awarded: \$720,000

Peoria Crossing, Aurora

Developer | Aurora Housing Authority

This development will serve families at an urban infill transit-oriented development site that is within a half mile of the Peoria-Smith "A" line station and the Fitzsimmons "R" line station. The location of the site will provide access to a number of large employment centers including Denver International Airport, Fitzsimmons Medical Campus, Stapleton, and the nearby warehouse district. The Aurora Housing Authority will provide 24 project-based vouchers for the development.

- 82 Units: 14 One-bedroom; 48 Two-bedroom; 20 Three-bedroom
- 9 @ 30% AMI; 15 @ 40% AMI; 58 @ 60% AMI
- Federal Credit Awarded: \$676,916
- State Credit Awarded: \$975,000

Platte Valley Homes, Denver

Developer | Denver Housing Authority

Platte Valley Homes will preserve 68 permanently affordable units in the Curtis Park/Five Points neighborhoods. The sponsor, the Denver Housing Authority (DHA), will completely renovate the existing buildings, which were built in 1942, and will construct a new three-story elevator building, which will serve seniors. The site is adjacent to light rail stations and high-frequency bus stops.

- 68 Units: 34 One-bedroom; 26 Two-bedroom; 8 Three-bedroom
- 31 @ 30% AMI; 5 @ 40% AMI; 27 @ 50% AMI; 5 @ 60% AMI
- Federal Credit Awarded: \$802,000
- State Credit Awarded: \$595,000

state LIHTC-supported development descriptions

The following summaries detail more information about the 12 developments directly supported with state LIHTC in 2017. Summaries include information about the communities and populations to be served by each development.

Sheridan Station, Denver

Developer | Koelbel and Company

This development will be located at the Sheridan light rail station on the West Line. Each of the households will be provided a free ECO pass for use of the RTD public transit system and the sponsor is working with RTD to provide free parking spaces at the adjacent parking garage. The sponsor is pursuing Section 811 project-based vouchers and plans to partner with Family Tree to provide supportive services for families who are supported by the vouchers.

- 133 Units: 92 One-bedroom; 29 Two-bedroom; 12 Three-bedroom
- 11 @ 30% AMI; 122 @ 60% AMI
- Federal Credit Awarded: \$1,315,031
- State Credit Awarded: \$1,000,000

Tammen Hall Apartments, Denver

Developer | Solvera Developers LLC

This development will preserve and rehabilitate the historic Tammen Hall located on St. Joseph's Hospital campus into apartments for seniors ages 62 and older. The building will provide a number of community spaces, including an exterior courtyard, community room, theater, exercise room, business center, and a rooftop terrace.

- 49 Units: 43 One-bedroom; 6 Two-bedroom
- 49 @ 60% AMI
- Federal Credit Awarded: \$520,511
- State Credit Awarded: \$391,667

Traditions at Colorado Springs, Colorado Springs

Developer | The Inland Group

This development will be located in northeast Colorado Springs and will serve seniors ages 55 and older. The development will include many attractive amenities, including a resident lounge, internet café, craft room, game room, fitness room and in-unit washers and dryers. The site is close to a high-frequency bus line, medical offices, and grocery stores.

- 180 Units: 8 Studios; 90 One-bedroom; 82 Two-bedroom
- 18 @ 50% AMI; 160 @ 60% AMI
- Federal Credit Awarded: \$1,124,019
- State Credit Awarded: \$442,188

Village on Shields, Fort Collins

Developer | Housing Catalyst

Village on Shields involves the preservation and substantial rehabilitation of three older LIHTC apartment communities in West Central Fort Collins. Extensive renovations include replacement of roofs and other exterior materials; repairs and improvements to sidewalks; parking lots, fencing, grading and irrigation systems; complete renovation of units, including new appliances, cabinets, countertops, sinks, and flooring; and improvement of HVAC systems. Additionally, 52 Rental Assistance Demonstration (RAD) project-based vouchers will be placed at the development.

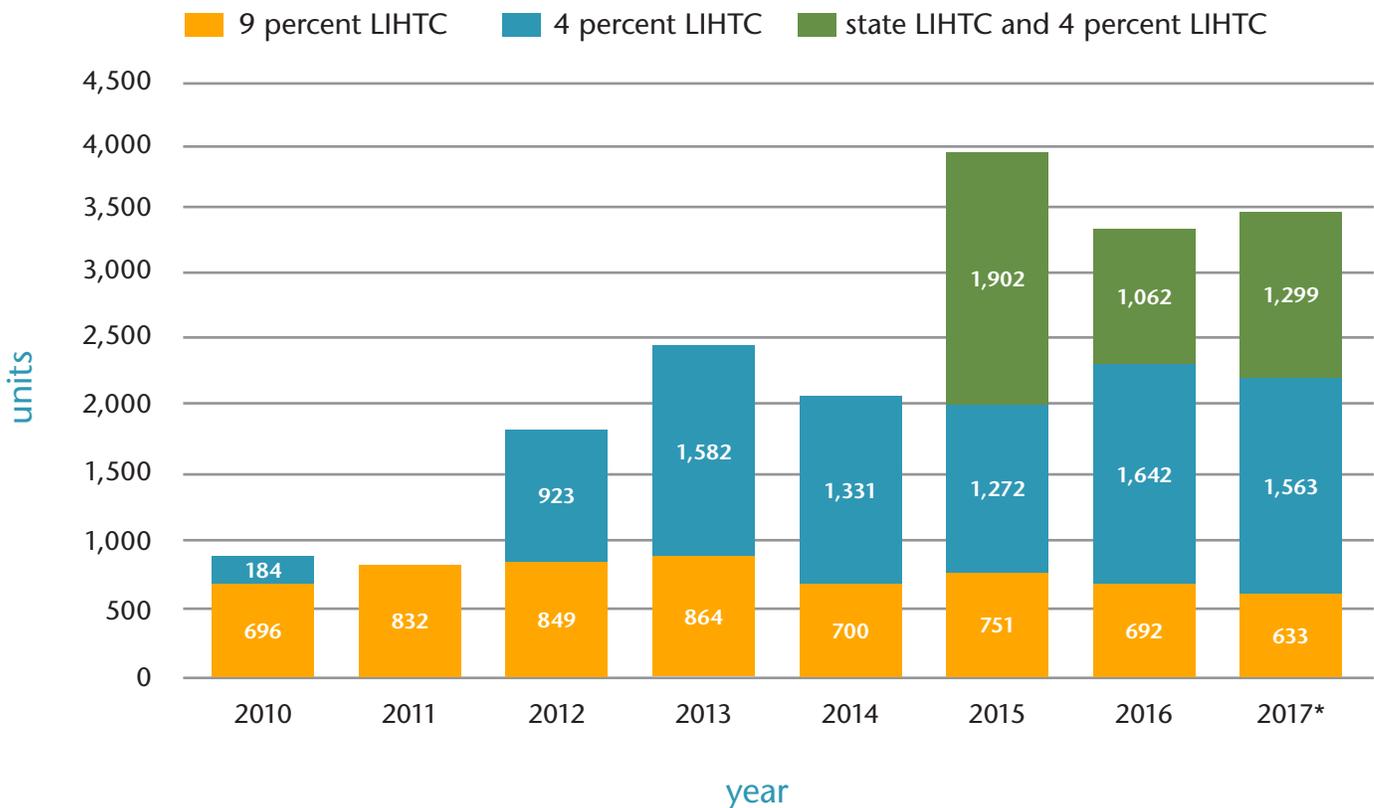
- 285 Units: 59 One-bedroom; 210 Two-bedroom; 16 Three-bedroom
- 26 @ 50% AMI; 256 @ 60% AMI
- Federal Credit Awarded: \$1,858,210
- State Credit Awarded: \$1,000,000

LIHTC historic investment 2010 to 2017 units

The following table illustrates the number of units supported by state and/or federal LIHTC annually between 2010 and 2017.

LIHTC units 2010 to 2017

year	9 percent LIHTC	4 percent LIHTC	state LIHTC and 4 percent	total tax credit units
2010	696	184	0	880
2011	832	0	0	832
2012	849	923	0	1,772
2013	864	1,582	0	2,446
2014	700	1,331	0	2,031
2015	751	1,272	1,902	3,925
2016	692	1,642	1,062	3,396
2017	633	1,563	1,299	3,495*



affordable housing need

In 2017's third quarter, the median rent in Colorado was \$1,319, which is a 23 percent increase over the average median rent over the last five years. A lack of inventory and increased demand have been key contributors to rising rent costs, causing rent to become unaffordable in various regions across the state. In fact, almost half (49 percent) of all Colorado renters are cost-burdened, paying 30 percent or more of their household income towards rent. Nearly one in four households (24 percent) is extremely cost-burdened, paying 50 percent or more of their income towards rent. To afford the median rent in Colorado, a two-person household must earn 85 percent of the Area Median Income (AMI), which is \$62,200.

Colorado's rental vacancy rate was at 5.1 percent in 2017's third quarter. Certain regions throughout Colorado had even lower rates, including southwest Fort Collins/Loveland at 3.1 percent, Pueblo at 3.2 percent, Greeley at 1.4 percent, Summit County at 1.9 percent, and Grand Junction at 2.4 percent. Vacancy rates were at zero percent in Aspen, Alamosa, Gunnison, Sterling, and Montrose. Vacancies were the lowest for two-bedroom and one-bathroom units at 2.8 percent.

region	2017 median rent Q2/Q3	2016 median rent Q2/Q3	percent increase	2017 household income needed to afford	AMI needed to afford	2017 vacancy Q2/Q3
Boulder/Broomfield	\$1,488	\$1,356	10%	\$59,520	76%	5.1%
Colorado Springs	\$972	\$916	6%	\$38,880	66%	5.4%
Denver Metro	\$1,299	\$1,247	4%	\$51,960	77%	5.6%
Fort Collins/Loveland	\$1,282	\$1,256	2%	\$51,280	83%	3.9%
Grand Junction	\$611	\$610	0%	\$24,440	46%	2.4%
Greeley	\$922	\$859	7%	\$36,880	61%	1.4%
Pueblo	\$701	\$634	11%	\$28,040	69%	3.2%
Statewide	\$1,319	\$1,267	4%	\$52,747	85%	5.1%

Sources

Q2 2017 Denver Metro and Boulder/Broomfield
 Q3 2017 is the rest of the state
 two bedroom, 1 bath rents are used
 2 person HH AMI is used

affordable housing need

Reports on future market activity indicate thousands of new units are planned to come online over the next several years to help meet current and future demand.

The effects of Colorado's tight rental market are not limited to low-income households that earn 30 to 60 percent AMI. Unaffordability has become more widespread, affecting many moderate-income households as well, who now find it difficult to afford market-rate rent. This phenomenon is referred to as the "missing middle" crisis.

In the Denver Metro area, for example, a two-person household earning 60 percent AMI, or \$38,460 annually, could afford the median market-rate rent for a two-bedroom, one-bathroom apartment only two years ago. Currently, these households cannot afford the median market-rate rent for this unit type, and do not qualify for low-income housing, which further exacerbates the need for affordable rental housing. (American Community Survey, 2015 five-year data tables)

influencing factors

Population Growth and Wages

Other factors influencing the rental and single family housing affordability gap include Colorado's growing population, projected to rise by one million more households in the next 23 years. Additionally, while the population increased, wages remained flat. In 2016 alone, the median home price increased 9.8 percent, while wage growth statewide averaged only 2.3 percent from 2015 to 2016.

Seniors and Aging Baby Boomers

Ensuring affordable housing options are available for Colorado's senior population, which continues to grow as Baby Boomers age, is critical and has a visible effect on the market. According to the latest U.S. Census, 13 percent of Colorado's population is 65 years of age or older. It is projected that by 2033, the population of Americans 65 and older will outnumber those younger than 18 for the first time in history.

Loss of Inventory

- Preservation

Because a lack of inventory is an influencing factor in the affordability gap, preservation of low-income housing is vital. Properties serving low-income households are most commonly required to remain affordable for 30 to 40 years. Affordability restrictions on approximately 25,000 affordable rental housing units are set to expire in the next decade across Colorado. In addition, many of these aging developments require rehabilitation to sustain current and long-term inhabitability.

- Short-term rentals

Online services that connect property owners with those seeking short-term rents, such as AirBnB, are on the rise and impacting housing affordability in Colorado and communities throughout the U.S. Homeowners and multifamily property owners alike use such services, which have been scrutinized regarding fair housing and housing affordability implications. In an effort to regulate activities related to the short-term rental marketplace, the City of Denver implemented licensing requirements in 2016, legalizing previously illegal rent terms of 30 days or less. The impact of short-term rental services in Colorado's resort regions is also being felt as long-term rental properties are more commonly being offered as short-term vacation rentals, adding pressure to the already tight rental markets in those regions.

affordable housing need

conclusion

The state LIHTC program has helped CHFA better meet the needs of communities seeking affordable housing for their residents. Demand for the state LIHTC remains strong. In 2017, 20 applications were received for state LIHTC seeking a combined total of \$16.38 million in state and \$18.42 million in federal 4 percent credit.

Likewise, requests for the federal 9 percent credit out-paced availability by 2.3 to 1.

Due to restrictions on resource availability, CHFA was able to support 12 developments, or 60 percent, of the total number of state and federal LIHTC applications received. CHFA anticipates a similar quantity of state LIHTC applications in 2017.

what is chfa?

CHFA's mission is to strengthen Colorado by investing in affordable housing and community development. We offer loan programs and homebuyer education to support responsible homeownership. We provide loans and tax credits to developers of affordable rental housing, so all Coloradans may have access to a place to call home; and we help business owners access the capital they need to grow and support jobs.

CHFA is self-funded. We are not a state agency. CHFA's operating revenues come from loan and investment income, program administration fees, loan servicing, and gains on sales of loans. CHFA receives no direct tax appropriations, and its net revenues are reinvested in its programs and used to support bond ratings. This document was designed and printed in house without the use of state general fund dollars.

CHFA's work revitalizes neighborhoods and creates jobs. We are proud to invest in Colorado's success. Visit www.chfainfo.com for more information.

With respect to its programs, services, activities, and employment practices, Colorado Housing and Finance Authority does not discriminate on the basis of race, color, religion, sex, age, national origin, disability, or any other protected classification under federal, state, or local law. Requests for reasonable accommodation, the provision of auxiliary aids, or any complaints alleging violation of this nondiscrimination policy should be directed to the Nondiscrimination Coordinator, 1.800.877.2432, CHFA, 1981 Blake Street, Denver, CO 80202-1272, available weekdays 8:00am to 5:00pm.

on the cover (left to right)

Rendering of Brandon Flats, Shopworks Architecture

Rendering of Indy Street Flats, Shopworks Architecture

Rendering of Fall River Apartments, SHOPWORKS8

denver

303.297.chfa (2432)
800.877.chfa (2432)

www.chfainfo.com

western slope

970.241.2341
800.877.8450



*financing the places where
people live and work*